

Fiscal Note

State of Alaska
2025 Legislative Session

| | |
|---------------------|-----------|
| Bill Version: | HB 69 |
| Fiscal Note Number: | 2 |
| (H) Publish Date: | 2/21/2025 |

Identifier: HB069-EED-PEF-2-20-25
Title: EDUCATION FUNDING: INCREASE BSA
Sponsor: HIMSCHOOT
Requester: (H) FINANCE

Department: Fund Capitalization
Appropriation: No Further Appropriation Required
Allocation: Public Education Fund
OMB Component Number: 2804

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

| | FY2026 Appropriation Requested | Included in Governor's FY2026 Request | Out-Year Cost Estimates | | | | |
|------------------------|--------------------------------------|--|-------------------------|------------------|------------------|------------------|------------------|
| OPERATING EXPENDITURES | FY 2026 | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 |
| Personal Services | | | | | | | |
| Travel | | | | | | | |
| Services | | | | | | | |
| Commodities | | | | | | | |
| Capital Outlay | | | | | | | |
| Grants & Benefits | 325,616.8 | | 499,566.0 | 644,143.9 | 695,796.9 | 750,994.8 | 807,458.6 |
| Miscellaneous | | | | | | | |
| Total Operating | 325,616.8 | 0.0 | 499,566.0 | 644,143.9 | 695,796.9 | 750,994.8 | 807,458.6 |

Fund Source (Operating Only)

| | | | | | | | |
|---------------------|------------------|------------|------------------|------------------|------------------|------------------|------------------|
| 1004 Gen Fund (UGF) | 325,616.8 | | 499,566.0 | 644,143.9 | 695,796.9 | 750,994.8 | 807,458.6 |
| Total | 325,616.8 | 0.0 | 499,566.0 | 644,143.9 | 695,796.9 | 750,994.8 | 807,458.6 |

Positions

| | | | | | | | |
|-----------|--|--|--|--|--|--|--|
| Full-time | | | | | | | |
| Part-time | | | | | | | |
| Temporary | | | | | | | |

Change in Revenues

| | | | | | | | |
|--------------|------------|------------|------------|------------|------------|------------|------------|
| None | | | | | | | |
| Total | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Estimated SUPPLEMENTAL (FY2025) cost: 0.0 (separate supplemental appropriation required)

Estimated CAPITAL (FY2026) cost: 0.0 (separate capital appropriation required)

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed? N/A

Why this fiscal note differs from previous version/comments:

This updated fiscal note clarifies the total change from the base year, as the previous version reflected only the fiscal year change. This update ensures a complete representation of the fiscal impact.

Prepared By: Heather Heineken, Division Director
Division: Finance and Support Services
Approved By: Karen Morrison, Deputy Commissioner
Agency: Department of Education and Early Development

Phone: (907)269-6889
Date: 02/20/2025 10:00 AM
Date: 02/20/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

Analysis

This bill increases the base student allocation (BSA) in AS 14.17.470 annually for inflation, with additional fixed increases in FY2026, FY2027, and FY2028.

FY2026: \$5,960 Prior Year BSA x 4.8% Average of 2021, 2022, 2023 CPI + \$1,000 flat rate increase = \$7,246 FY2026 BSA.
Total FY2026 impact \$325,616.8 (thousands)

FY2027: \$7,246 Prior Year BSA x 3.9% Average of 2022, 2023, 2024 CPI + \$404 flat rate increase = \$7,933 FY2027 BSA.
Total FY2027 impact : \$499,566.0 (thousands)

FY2028: \$7,933 Prior Year BSA x 2.1% Average of 2023, 2024, 2025 CPI + \$404 flat rate increase = \$8,504 FY2028 BSA.
Total FY2028 impact: \$644,143.9 (thousands)

FY2029: \$8,504 Prior Year BSA x 2.4% Average of 2024, 2025, 2026 CPI = \$8,708 FY2029 BSA. Total FY2029 impact:
\$695,796.9 (thousands)

FY2030: \$8,708 Prior Year BSA x 2.5% Average of 2025, 2026, 2027 CPI = \$8,926 FY2030 BSA. Total FY2030 impact:
\$750,994.8 (thousands)

FY2031: \$8,926 Prior Year BSA x 2.5% Average of 2026, 2027, 2028 CPI = \$9,149 FY2031 BSA. Total FY2031 impact:
\$807,458.6 (thousands)

| Urban Alaska CPI | | |
|------------------|------------------|------------------|
| Year | Urban Alaska CPI | Avg. Prior 3 CPI |
| 2019 | 1.4% | -- |
| 2020 | -1.1% | -- |
| 2021 | 4.9% | 1.7% |
| 2022 | 8.1% | 4.0% |
| 2023 | 1.5% | 4.8% |
| 2024 | 2.2% | 3.9% |
| Proj. 2025 | 2.5% | 2.1% |
| Proj. 2026 | 2.5% | 2.4% |
| Proj. 2027 | 2.5% | 2.5% |
| Proj. 2028 | 2.5% | 2.5% |
| Proj. 2029 | 2.5% | 2.5% |
| Proj. 2030 | 2.5% | 2.5% |
| Proj. 2031 | 2.5% | 2.5% |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB069

Analysis

| School District | FY2026 Proj TOTAL STATE ENTITLEMENT | Proposed FY26 TOTAL STATE ENTITLEMENT | Proposed FY26 Cost to State | Proposed FY27 TOTAL STATE ENTITLEMENT | Proposed FY27 Cost to State | Proposed FY28 TOTAL STATE ENTITLEMENT | Proposed FY28 Cost to State |
|---------------------------|---|---|--------------------------------|---|--------------------------------|---|--------------------------------|
| Alaska Gateway | \$ 8,775,778 | \$ 10,745,789 | \$ 1,970,011 | \$ 11,798,197 | \$ 3,022,419 | \$ 12,672,907 | \$ 3,897,129 |
| Aleutian Region | 705,835 | 872,899 | 167,064 | 962,147 | 256,312 | 1,036,326 | 330,491 |
| Aleutians East Borough | 3,149,763 | 4,155,145 | 1,005,382 | 4,692,335 | 1,542,472 | 5,138,637 | 1,988,874 |
| Anchorage | 287,101,121 | 377,786,099 | 90,684,978 | 426,231,340 | 139,130,219 | 466,496,598 | 179,395,477 |
| Annette Island | 817,081 | 1,997,141 | 1,180,060 | 2,627,545 | 1,810,464 | 3,151,506 | 2,334,425 |
| Bering Strait | 27,454,199 | 36,107,205 | 8,653,006 | 40,729,766 | 13,275,567 | 44,571,808 | 17,117,609 |
| Bristol Bay Borough | 1,508,726 | 2,023,924 | 515,198 | 2,299,149 | 790,423 | 2,527,903 | 1,019,177 |
| Chatham | 3,661,576 | 4,463,564 | 801,988 | 4,891,998 | 1,230,422 | 5,248,091 | 1,586,515 |
| Chugach | 5,082,257 | 6,213,230 | 1,130,973 | 6,817,412 | 1,735,155 | 7,319,578 | 2,237,321 |
| Copper River | 5,912,387 | 7,233,392 | 1,321,005 | 7,939,092 | 2,026,705 | 8,525,635 | 2,613,248 |
| Cordova | 4,512,618 | 5,734,563 | 1,221,945 | 6,387,343 | 1,874,725 | 6,929,902 | 2,417,284 |
| Craig | 5,248,876 | 6,501,826 | 1,252,950 | 7,171,170 | 1,922,294 | 7,727,495 | 2,478,619 |
| Delta/Greely | 10,455,283 | 12,742,743 | 2,287,460 | 13,964,737 | 3,509,454 | 14,980,398 | 4,525,115 |
| Denali Borough | 6,638,654 | 8,307,934 | 1,669,280 | 9,199,687 | 2,561,033 | 9,940,868 | 3,302,214 |
| Dillingham | 4,783,543 | 6,039,515 | 1,255,972 | 6,710,473 | 1,926,930 | 7,268,141 | 2,484,598 |
| Fairbanks N. Star Borough | 89,030,029 | 118,848,691 | 29,818,662 | 134,778,257 | 45,748,228 | 148,018,114 | 58,988,085 |
| Galena | 43,503,138 | 52,891,054 | 9,387,916 | 57,906,216 | 14,403,078 | 62,074,567 | 18,571,429 |
| Haines Borough | 2,588,682 | 3,460,397 | 871,715 | 3,926,080 | 1,337,398 | 4,313,132 | 1,724,450 |
| Hoonah | 2,628,697 | 3,255,095 | 626,398 | 3,589,726 | 961,029 | 3,867,854 | 1,239,157 |
| Hydaburg | 1,439,041 | 1,758,214 | 319,173 | 1,928,720 | 489,679 | 2,070,437 | 631,396 |
| Iditarod Area | 5,699,785 | 7,086,620 | 1,386,835 | 7,827,488 | 2,127,703 | 8,443,260 | 2,743,475 |
| Juneau Borough | 27,577,548 | 37,804,965 | 10,227,417 | 43,268,600 | 15,691,052 | 47,809,701 | 20,232,153 |
| Kake | 2,245,526 | 2,787,845 | 542,319 | 3,077,559 | 832,033 | 3,318,356 | 1,072,830 |
| Kashunamiut | 3,730,303 | 5,093,437 | 1,363,134 | 5,821,643 | 2,091,340 | 6,426,892 | 2,696,589 |
| Kenai Peninsula Borough | 64,565,229 | 86,106,848 | 21,541,619 | 97,614,696 | 33,049,467 | 107,179,442 | 42,614,213 |
| Ketchikan Gateway Borough | 23,768,404 | 30,220,536 | 6,452,132 | 33,667,359 | 9,898,955 | 36,532,186 | 12,763,782 |
| Klawock | 1,748,752 | 2,309,114 | 560,362 | 2,608,467 | 859,715 | 2,857,275 | 1,108,523 |
| Kodiak Island Borough | 23,524,518 | 30,292,402 | 6,767,884 | 33,907,904 | 10,383,386 | 36,912,929 | 13,388,411 |
| Kuspuk | 5,246,363 | 6,883,441 | 1,637,078 | 7,757,992 | 2,511,629 | 8,484,875 | 3,238,512 |
| Lake & Peninsula Borough | 8,177,766 | 10,069,253 | 1,891,487 | 11,079,713 | 2,901,947 | 11,919,557 | 3,741,791 |
| Lower Kuskokwim | 59,023,306 | 75,415,936 | 16,392,630 | 84,173,118 | 25,149,812 | 91,451,649 | 32,428,343 |
| Lower Yukon | 38,175,491 | 47,870,054 | 9,694,563 | 53,049,031 | 14,873,540 | 57,353,537 | 19,178,046 |
| Mat-Su Borough | 162,033,257 | 207,588,624 | 45,555,367 | 231,924,967 | 69,891,710 | 252,152,116 | 90,118,859 |
| Nenana | 13,919,356 | 16,934,421 | 3,015,065 | 18,545,113 | 4,625,757 | 19,883,840 | 5,964,484 |
| Nome | 8,816,612 | 11,026,423 | 2,209,811 | 12,206,936 | 3,390,324 | 13,188,119 | 4,371,507 |
| North Slope Borough | 17,131,633 | 24,425,092 | 7,293,459 | 28,321,364 | 11,189,731 | 31,559,751 | 14,428,118 |
| Northwest Arctic Borough | 36,300,234 | 44,773,933 | 8,473,699 | 49,300,706 | 13,000,472 | 53,063,134 | 16,762,900 |
| Pelican | 365,663 | 457,278 | 91,615 | 506,220 | 140,557 | 546,898 | 181,235 |
| Petersburg | 5,905,392 | 7,521,856 | 1,616,464 | 8,385,394 | 2,480,002 | 9,103,124 | 3,197,732 |
| Pribilof | 962,208 | 1,277,612 | 315,404 | 1,446,106 | 483,898 | 1,586,149 | 623,941 |
| Saint Mary's | 3,548,552 | 4,332,240 | 783,688 | 4,750,898 | 1,202,346 | 5,098,866 | 1,550,314 |
| Sitka Borough | 10,675,059 | 13,875,244 | 3,200,185 | 15,584,830 | 4,909,771 | 17,005,752 | 6,330,693 |
| Skagway | 1,124,783 | 1,588,669 | 463,886 | 1,836,484 | 711,701 | 2,042,455 | 917,672 |
| Southeast Island | 4,629,488 | 5,625,726 | 996,238 | 6,157,931 | 1,528,443 | 6,600,274 | 1,970,786 |
| Southwest Region | 9,108,504 | 11,989,260 | 2,880,756 | 13,528,202 | 4,419,698 | 14,807,293 | 5,698,789 |
| Unalaska | 3,229,972 | 4,465,613 | 1,235,641 | 5,125,710 | 1,895,738 | 5,674,349 | 2,444,377 |
| Valdez | 4,471,191 | 6,294,443 | 1,823,252 | 7,268,451 | 2,797,260 | 8,077,998 | 3,606,807 |
| Wrangell | 2,831,469 | 3,631,438 | 799,969 | 4,058,793 | 1,227,324 | 4,413,989 | 1,582,520 |
| Yakutat | 1,116,253 | 1,426,899 | 310,646 | 1,592,850 | 476,597 | 1,730,781 | 614,528 |
| Yukon Flats | 4,742,451 | 6,057,206 | 1,314,755 | 6,759,567 | 2,017,116 | 7,343,334 | 2,600,883 |
| Yukon/Koyukuk | 24,348,790 | 29,724,065 | 5,375,275 | 32,595,615 | 8,246,825 | 34,982,303 | 10,633,513 |
| Yup'it | 7,885,398 | 10,239,819 | 2,354,421 | 11,497,586 | 3,612,188 | 12,542,978 | 4,657,580 |
| Mt. Edgecumbe High School | 2,650,169 | 3,558,728 | 908,559 | 4,044,094 | 1,393,925 | 4,447,505 | 1,797,336 |
| TOTAL | \$ 1,104,276,709 | \$ 1,429,893,460 | \$ 325,616,751 | \$ 1,603,842,677 | \$ 499,565,968 | \$ 1,748,420,564 | \$ 644,143,855 |

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2025 LEGISLATIVE SESSION

BILL NO. HB069

Analysis

| School District | FY2026 Proj TOTAL STATE ENTITLEMENT | Proposed FY29 TOTAL STATE ENTITLEMENT | Proposed FY29 Cost to State | Proposed FY30 TOTAL STATE ENTITLEMENT | Proposed FY30 Cost to State | Proposed FY31 TOTAL STATE ENTITLEMENT | Proposed FY31 Cost to State |
|---------------------------|---|---|--------------------------------|---|--------------------------------|---|--------------------------------|
| Alaska Gateway | \$ 8,775,778 | \$ 12,985,412 | \$ 4,209,634 | \$ 13,319,364 | \$ 4,543,586 | \$ 13,660,976 | \$ 4,885,198 |
| Aleutian Region | 705,835 | 1,062,827 | 356,992 | 1,091,148 | 385,313 | 1,120,118 | 414,283 |
| Aleutians East Borough | 3,149,763 | 5,298,122 | 2,148,359 | 5,468,553 | 2,318,790 | 5,642,892 | 2,493,129 |
| Anchorage | 287,101,121 | 480,882,085 | 193,780,964 | 496,254,810 | 209,153,689 | 511,980,121 | 224,879,000 |
| Annette Island | 817,081 | 3,338,701 | 2,521,620 | 3,538,742 | 2,721,661 | 3,743,371 | 2,926,290 |
| Bering Strait | 27,454,199 | 45,944,447 | 18,490,248 | 47,411,286 | 19,957,087 | 48,911,768 | 21,457,569 |
| Bristol Bay Borough | 1,508,726 | 2,609,630 | 1,100,904 | 2,696,965 | 1,188,239 | 2,786,303 | 1,277,577 |
| Chatham | 3,661,576 | 5,375,311 | 1,713,735 | 5,511,262 | 1,849,686 | 5,650,332 | 1,988,756 |
| Chugach | 5,082,257 | 7,498,986 | 2,416,729 | 7,690,706 | 2,608,449 | 7,886,823 | 2,804,566 |
| Copper River | 5,912,387 | 8,735,188 | 2,822,801 | 8,959,122 | 3,046,735 | 9,188,192 | 3,275,805 |
| Cordova | 4,512,618 | 7,123,741 | 2,611,123 | 7,330,882 | 2,818,264 | 7,542,774 | 3,030,156 |
| Craig | 5,248,876 | 7,926,252 | 2,677,376 | 8,138,650 | 2,889,774 | 8,355,919 | 3,107,043 |
| Delta/Greely | 10,455,283 | 15,343,261 | 4,887,978 | 15,731,026 | 5,275,743 | 16,127,685 | 5,672,402 |
| Denali Borough | 6,638,654 | 10,205,668 | 3,567,014 | 10,488,641 | 3,849,987 | 10,778,104 | 4,139,450 |
| Dillingham | 4,783,543 | 7,467,377 | 2,683,834 | 7,680,287 | 2,896,744 | 7,898,080 | 3,114,537 |
| Fairbanks N. Star Borough | 89,030,029 | 152,748,290 | 63,718,261 | 157,803,087 | 68,773,058 | 162,973,819 | 73,943,790 |
| Galena | 43,503,138 | 63,563,786 | 20,060,648 | 65,155,205 | 21,652,067 | 66,783,125 | 23,279,987 |
| Haines Borough | 2,588,682 | 4,451,414 | 1,862,732 | 4,599,185 | 2,010,503 | 4,750,346 | 2,161,664 |
| Hoonah | 2,628,697 | 3,967,221 | 1,338,524 | 4,073,406 | 1,444,709 | 4,182,027 | 1,553,330 |
| Hydaburg | 1,439,041 | 2,121,068 | 682,027 | 2,175,173 | 736,132 | 2,230,519 | 791,478 |
| Iditarod Area | 5,699,785 | 8,663,255 | 2,963,470 | 8,898,349 | 3,198,564 | 9,138,834 | 3,439,049 |
| Juneau Borough | 27,577,548 | 49,432,090 | 21,854,542 | 51,165,820 | 23,588,272 | 52,939,315 | 25,361,767 |
| Kenai | 2,245,526 | 3,404,385 | 1,158,859 | 3,496,317 | 1,250,791 | 3,590,359 | 1,344,833 |
| Kashunamiut | 3,730,303 | 6,643,128 | 2,912,825 | 6,874,203 | 3,143,900 | 7,110,579 | 3,380,276 |
| Kenai Peninsula Borough | 64,565,229 | 110,596,620 | 46,031,391 | 114,248,310 | 49,683,081 | 117,983,754 | 53,418,525 |
| Ketchikan Gateway Borough | 23,768,404 | 37,555,697 | 13,787,293 | 38,649,448 | 14,881,044 | 39,768,286 | 15,999,882 |
| Klawock | 1,748,752 | 2,946,166 | 1,197,414 | 3,041,157 | 1,292,405 | 3,138,327 | 1,389,575 |
| Kodiak Island Borough | 23,524,518 | 37,986,528 | 14,462,010 | 39,133,805 | 15,609,287 | 40,307,396 | 16,782,878 |
| Kuspuk | 5,246,363 | 8,744,567 | 3,498,204 | 9,022,081 | 3,775,718 | 9,305,960 | 4,059,597 |
| Lake & Peninsula Borough | 8,177,766 | 12,219,607 | 4,041,841 | 12,540,248 | 4,362,482 | 12,868,243 | 4,690,477 |
| Lower Kuskokwim | 59,023,306 | 94,052,035 | 35,028,729 | 96,830,879 | 37,807,573 | 99,673,458 | 40,650,152 |
| Lower Yukon | 38,175,491 | 58,891,399 | 20,715,908 | 60,534,801 | 22,359,310 | 62,215,895 | 24,040,404 |
| Mat-Su Borough | 162,033,257 | 259,378,629 | 97,345,372 | 267,101,078 | 105,067,821 | 275,000,648 | 112,967,391 |
| Nenana | 13,919,356 | 20,362,124 | 6,442,768 | 20,873,232 | 6,953,876 | 21,396,062 | 7,476,706 |
| Nome | 8,816,612 | 13,538,665 | 4,722,053 | 13,913,267 | 5,096,655 | 14,296,462 | 5,479,850 |
| North Slope Borough | 17,131,633 | 32,716,722 | 15,585,089 | 33,953,094 | 16,821,461 | 35,217,823 | 18,086,190 |
| Northwest Arctic Borough | 36,300,234 | 54,407,329 | 18,107,095 | 55,843,772 | 19,543,538 | 57,313,161 | 21,012,927 |
| Pelican | 365,663 | 561,431 | 195,768 | 576,961 | 211,298 | 592,848 | 227,185 |
| Petersburg | 5,905,392 | 9,359,546 | 3,454,154 | 9,633,565 | 3,728,173 | 9,913,870 | 4,008,478 |
| Pribilof | 962,208 | 1,636,182 | 673,974 | 1,689,649 | 727,441 | 1,744,342 | 782,134 |
| Saint Mary's | 3,548,552 | 5,223,183 | 1,674,631 | 5,356,032 | 1,807,480 | 5,491,929 | 1,943,377 |
| Sitka Borough | 10,675,059 | 17,513,402 | 6,838,343 | 18,055,890 | 7,380,831 | 18,610,822 | 7,935,763 |
| Skagway | 1,124,783 | 2,116,042 | 991,259 | 2,194,679 | 1,069,896 | 2,275,119 | 1,150,336 |
| Southeast Island | 4,629,488 | 6,758,308 | 2,128,820 | 6,927,189 | 2,297,701 | 7,099,942 | 2,470,454 |
| Southwest Region | 9,108,504 | 15,264,272 | 6,155,768 | 15,752,611 | 6,644,107 | 16,252,151 | 7,143,647 |
| Unalaska | 3,229,972 | 5,870,361 | 2,640,389 | 6,079,824 | 2,849,852 | 6,294,091 | 3,064,119 |
| Valdez | 4,471,191 | 8,367,223 | 3,896,032 | 8,676,297 | 4,205,106 | 8,992,460 | 4,521,269 |
| Wrangell | 2,831,469 | 4,540,889 | 1,709,420 | 4,676,499 | 1,845,030 | 4,815,218 | 1,983,749 |
| Yakutat | 1,116,253 | 1,780,059 | 663,806 | 1,832,720 | 716,467 | 1,886,587 | 770,334 |
| Yukon Flats | 4,742,451 | 7,551,896 | 2,809,445 | 7,774,770 | 3,032,319 | 8,002,757 | 3,260,306 |
| Yukon/Koyukuk | 24,348,790 | 35,834,991 | 11,486,201 | 36,746,196 | 12,397,406 | 37,678,300 | 13,329,510 |
| Yup'it | 7,885,398 | 12,916,463 | 5,031,065 | 13,315,580 | 5,430,182 | 13,723,851 | 5,838,453 |
| Mt. Edgecumbe High School | 2,650,169 | 4,591,631 | 1,941,462 | 4,745,648 | 2,095,479 | 4,903,198 | 2,253,029 |
| TOTAL | \$ 1,104,276,709 | \$ 1,800,073,612 | \$ 695,796,903 | \$ 1,855,271,471 | \$ 750,994,762 | \$ 1,911,735,341 | \$ 807,458,632 |